

**CHICAGO BUSINESS ACTIVITY INDEX – October 2019**

**CBAI decreased in August**

The Chicago Business Activity Index (CBAI) decreased to 94.5 in August from 97.7 in July. The decrease is mainly attributed to negative non-manufacturing, construction job growth, and a decline in expected retail sales.

In August, the national and regional economies presented mixed features. Industrial production rose 0.6 percent in August after declining 0.1 percent in July. Manufacturing production increased 0.5 percent, more than reversing its decrease in July. At 109.9 percent of its 2012 average, total industrial production was 0.4 percent higher in August than it was a year earlier. Capacity utilization for the industrial sector increased 0.4 percentage point in August to 77.9 percent, a rate that is 1.9 percentage points below its long-run (1972–2018) average. The Chicago Fed reported that the Chicago Fed National Activity Index (CFNAI) moved up to 0.10 in August from -0.41 in July. In the Chicago region, employment in the manufacturing sector increased 0.11 percent and employment in the nonmanufacturing sector decreased 0.24 percent in August. Employment in the construction sector decreased 0.63 percent and retail sales are estimated to have decreased 0.96 percent during the same period.

In the coming months, national economy is likely to stay on the expansion phase. The economic growth reflected in the CFNAI-MA3 suggests that growth in national economic activity is below its historical trend. The unemployment rate declined to 3.5 percent in September, and total nonfarm payroll employment rose by 136,000. Considering recent national economic conditions and movements of projected CBAI, the Chicago economy expansion trend is expected to slow down over the next several months.

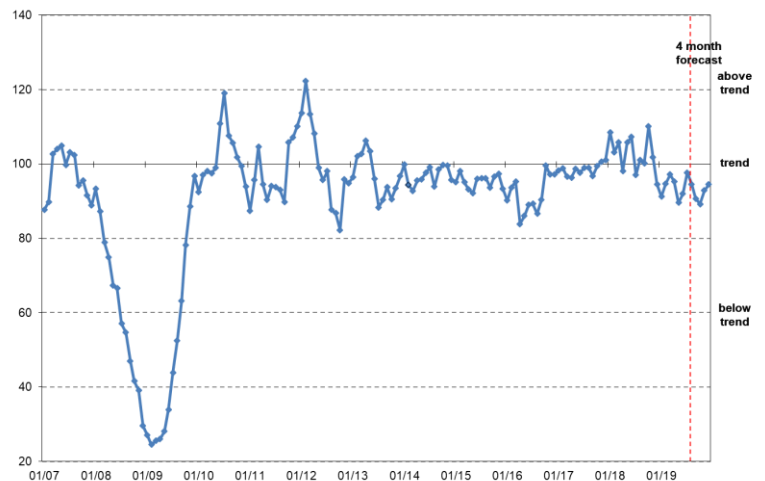
Release Date:  
*October 18, 2019*

Next Release Date:  
*November 18, 2019*

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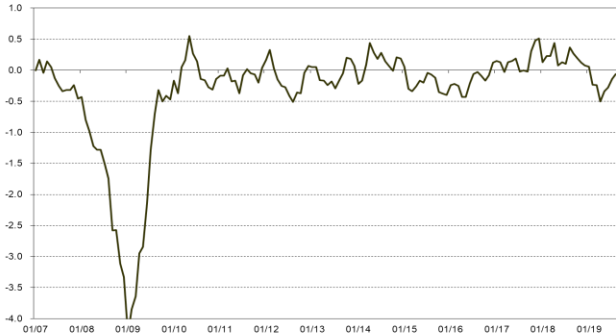
<b>CBAI (Current: 94.5)</b>			
	1 month	3 month	1 year
Historical (ago)	97.7	89.6	101.0
Forecast (ahead)	90.7	92.9	-

**Chicago Business Activity Index**

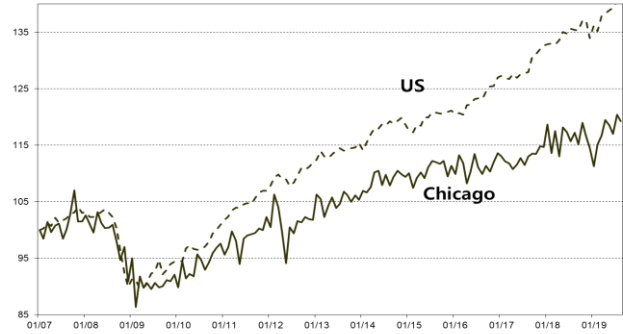


\* January 2007 = 100

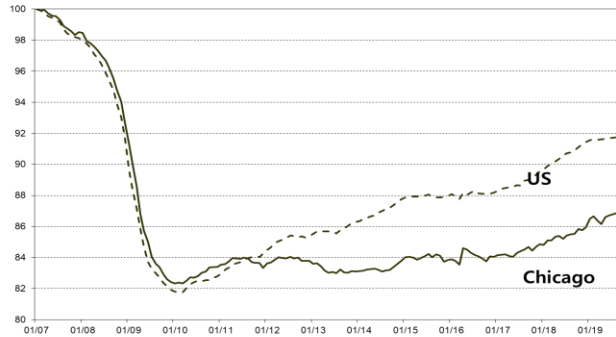
**Chicago Fed National Activity Index(CFNAI-MA3)**



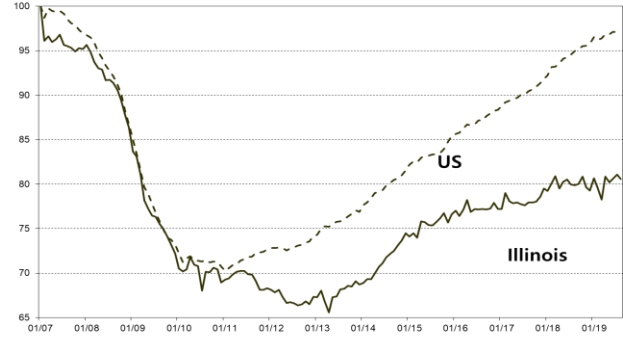
**Retail Sales**



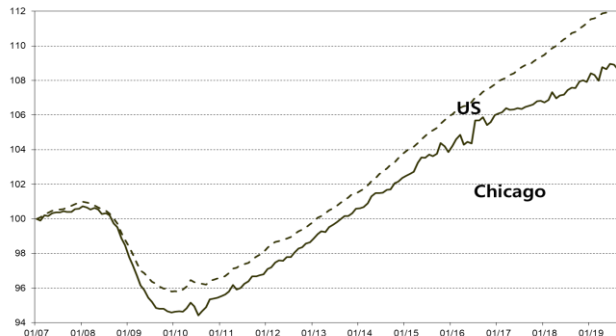
**Manufacturing Employment**



**Construction Employment**



**Non-manufacturing Employment**



**Economic Activity: Summary**

Months ago	National			Chicago		
	12	3	1	12	3	1
Mfgn	1.08	0.12	0.02	1.60	0.32	0.11
NMfgn	1.45	0.36	0.12	0.98	0.00	-0.24
Cons	2.26	0.27	0.05	0.87	0.49	-0.63
Retail	4.33	1.73	0.59	1.74	0.61	-0.96

Note: All series are seasonally adjusted.

The Chicago Business Activity Index (CBAI) is a monthly statistic that measures the changes in the business cycle status of the Chicago metropolitan area. The CBAI leads the local business cycle by three-to-four months. REAL's approach to constructing this index, using the principal components regression method, directs attention to the relationship between local and national business cycle.